



C.L. "BUTCH" OTTER – Governor
RICHARD M. ARMSTRONG – Director

IDAHO DEPARTMENT OF HEALTH & WELFARE

LISA HETTINGER - Administrator
DIVISION OF MEDICAID
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May 22, 2015

Dear Tribal Representative:

This letter is to inform you Idaho Medicaid intends to submit a State Plan Amendment (SPA), to the Centers for Medicare and Medicaid Services (CMS). The proposed amendment is in Attachment 4.19-A, Section 457 of the Idaho State Plan.

The proposed changes will update our calculation for the inpatient upper payment limit calculation for non-state government owned and privately owned hospitals. The upper payment limit will be determined on an annual basis using two different approaches. The first approach identifies the upper limit through the application of Medicare's prospective payment system, which is a diagnosis related group (DRG) payment system. The second approach uses a cost-based approach. The approach identifying the highest positive difference between what Medicare would have paid compared to what Medicaid paid will be utilized for that year.

The effective date for this change is July 1, 2015.

We encourage you to provide feedback within 30 days from May 22, 2015. Please provide your feedback regarding these changes to Robert Kellerman, Office of Reimbursement, Bureau of Financial Operations, Division of Medicaid at (208) 364-1994, or by e-mail at kellermr@dhw.id.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lisa Hettinger", with a long horizontal flourish extending to the right.

LISA HETTINGER
Administrator

LH/rk